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The Sivakasi Master Printers' Association, Sivakasi, has again brought to the notice of the Government the scarcity conditions of paper in the market and its high price. The Assistant Directors of Industries and Commerce of Ramanathapuram and Madras have been requested to contact the local agents of Orient Paper Mills, Rohtas Industries, Limited, Mysore Paper Mills, Limited, and Punalur Paper Mills, Limited, and submit a report in the matter. As soon as their reports are received, the matter will be taken to the notice of the Development Wing of the Government of India, Ministry of Commerce and Industry, for necessary action.

I may add, Sir, that it is within the exclusive jurisdiction of the Union Government.

IV.—GOVERNMENT BILL.

THE MADRAS GENERAL SALES TAX BILL, 1959 (L.A. BILL NO. 6 OF 1958)—*cont.*

The Second Schedule—cont.

SRI MOHAMED RAZA KHAN: Mr. Chairman, I have already moved an amendment. As I said yesterday, I had a very good mind not to press my amendment for reasons which were quite obvious but the speech of my esteemed and learned friend Mr. Patanjali Sastri made me press my amendment, and also say a few words.

As far as this industry is concerned, I am sure our esteemed Friend, the Hon. Sri Manickavelu, is well aware of the difficulty and hardship of the skins and hides merchants and tanners because a good deal of them, particularly, come from his district of North Arcot. As I said on a previous occasion, the business is of such a difficult nature that even an increase of one pence this way or that way causes a good deal of loss to those who are in the line or in the trade. The nature of the business is such that, as I have pointed out at an earlier stage, it is only a buyers' market and not a sellers' market particularly in view of the fact that these people have to send their finished stuff to foreign countries like England where auctions do take place and the prices depend on various factors there and not on factors in our country with the result that many big families, who have been doing business for a long time, though they were once flourishing, become nothing one fine morning.

I feel that on a commodity like this a levy of 2 per cent tax is rather too high. In fact, the Hon. Minister is well aware that for a long time, the tax was at one per cent, but as a result of some decision, that being included in the listed goods, it was increased from one to two per cent. I do not know the reasons. Possibly the Minister may clarify.

My own submission is that this is not a real trade or business; it is nothing but an industry. After all, raw skins are purchased for the purpose of manufacturing these finished products. Therefore, it is not a business. It is more in the nature of an industry.

Anyone who is in this business has to pay sales tax at the rate of 2 per cent as far as these raw skins and hides are concerned, and also similar taxes on the purchase of various things like wattle bark, etc., so that, in a way, they have to pay a tax of about three to four per cent as sales tax, but, unfortunately they are not in a position to sell their goods in the world market, with the result that many of them have burnt their fingers.

The hon. Member Sri Patanjali Sastry raised a very fundamental point that if a thing was purchased only for the purpose of export, the State Government could not levy sales tax on it. Of course, the Government may adopt another attitude. I do maintain, Sir, that this is an instance in point where it is not only an industry but it is purely for the purpose of export. The Hon. Minister can easily find out from the figures available that all the skins and hides, 90 per cent of them, are being exported. Therefore, indirectly, it is a tax on export. I maintain that from the figures available with the department it can be found out that not even 10 per cent of the dressed skins and hides are sold in the local market and that 90 per cent is exported. This is not only a tax on industry but a tax on export. Therefore, Sir, I think it will be reasonable if the Government either abolish the tax itself or, in the alternative, reduce the tax to one per cent so that the burden may not be too much on the merchants. I may also say that apart from looking to the interest of these industrialists or tanners, the question should be looked into as one of labour also. This is a business where lakhs and lakhs of poor people are employed as tanners and the question of their wages and employment is linked up. I think it might have come to the notice of the Hon. Minister, who is also in charge of Industries, that in many cases tanneries had been closed. Even in the place of the hon. Member Sri T. Purushotham, in Ranipet, some tanneries had been closed.

SRI T. PURUSHOTHAM : Ranipet is not my place !

11-30 a.m. SRI MOHAMED RAZA KHAN : Anyhow, Ranipet was the place to which he referred. Therefore, for this very reason the tanners are not in a position to run the business. This aspect of the question has to be viewed not only from the point of tanners as such, but from the point of labour also. Therefore, I maintain that this is a tax not only on the industry, but mainly and indirectly on the export. As I was saying, this is one of the industries which fortunately is concentrated in our State and which brings a lot of foreign exchange. Therefore, I am sure Government could accept my amendment. But I am afraid the Hon. Minister has already made up his mind and he cannot change his mind. In spite of his best advocacy, I am afraid even the hon. Member Sri Ramaswami is not going to succeed in this matter. At least I want an assurance from the Hon. Minister, even if he does not feel like accepting my amendment. If he could assure me that he would have the matter

examined, I would be satisfied. Of course, this tax on this industry would also bring a few lakhs of rupees to the coffers of the Madras Government. That is the only request I make to him.

* SRI T. PURUSHOTHAM : Sir, I do not wish to go into the merits of the matter referred to by my hon. Friend Sri Raza Khan. He referred in the course of his speech to the point raised by my hon. and respected Friend Sri M. Patanjali Sastry about the validity of certain provisions with regard to the levy of sales tax on goods subject to export. Sir, I made due enquiries about it and I wish to point out to the hon. Members of this House that the goods at the point of export are not subject to sales tax; and so, it is I wish to make it clear from my enquiries that the hon. Member Mr. Raza Khan need not have any apprehension about levy of sales tax on export of goods at the point of export. As pointed out by the Hon. Minister, when it is a sale within the State and within the country, from A to B, there may be sales tax. But actually at the point of export, there is no sales tax at present on any of the goods. That is what I learnt from due enquiries that I made in trade circles. I thought I could bring it to the notice of this hon. House.

* SRI M. PATANJALI SASTRY : Sir, there is some misapprehension about this matter. May be, there is no sales tax at the point of export. That is a matter for the Central Government and it will be export duty, that is, tax at the point of export. But here the sale which occasions the export is taxed. Under the Bill, it seems to be taxable. I do not say it will be taxed. Government may choose not to tax, but the validity of the provision depends on the taxability of the sale. If it is taxable, of course, it transgresses the Constitutional prohibition. If it is brought within the purview of the Act, then the constitutionality of it is gone. What the Government may or may not intend to do does not affect the constitutionality of the question. It does not depend upon the intention of the Government. It depends on what the Government provide for in the Act. I shall explain it with a concrete example.

Suppose A sells goods to B and B in turn sells them to C, an agent of a foreign buyer, from whom the goods go out on export. Now it is true, as the Hon. Minister claims, that A's sale to B would not be taxable. But the point is whether B's sale to C would not be taxable. According to the provision here, it would be taxable.

I shall read the Central Act. It says under the heading ' when is a sale or purchase of goods said to take place in the course of import or export ', ' A sale or purchase of goods shall be deemed to take place in the course of the export of the goods out of the territory of India only if the sale or purchase either occasions such export or is effected by a transfer of documents, etc.' Now, in the illustration I gave, sale by B to C does occasion the export. C buys for the purpose of exporting the goods to his non-resident principal. No doubt, it is not taxed at the point of export, as the hon. Member

Sri Purushotham has said, when the goods start on the journey; that would be export duty and not sales tax. But the sale by B to C would seem to come within the purview of the Act. That is the thing prohibited by the Constitution. So, there is no point in saying that these goods are not taxable at the point of export. Of course, they could not be.

* THE HON. SRI R. VENKATARAMAN : Mr. Chairman, Sir, so far as the question of the reduction of sales tax on raw hides and skins is concerned, we have had the expert advice in this matter and I wish to place the opinion of Dr. Lokanathan on this matter. This is the recommendation of Dr. Lokanathan—it is found at page 52 of his report.

" This trade claims complete exemption from tax and it is said to be a good dollar earner. About 90 per cent of the tanned hides are exported out of India and the rest sold inside the State for local consumption. Small dealers complain that they are made to suffer tax under the Act on the export trade as they have to export through others whereas the big dealers who purchase dressed skins from outside the State and export them directly or purchase raw skins from outside the State, dress them inside the State and directly export them are not liable to tax on their turnover. This causes hardship to small dealers. This has to be removed or else the small dealers might get extinct in the long run. The grievance deserves consideration. There will be heavy loss of revenue to Government if the entire trade is exempted from tax. Hence, it is recommended that the raw skins should continue to be assessed at the last purchase in the State at 2 per cent and the dressed skins should be assessed at one per cent on the last sales in the State. This reduction would slightly help the small dealer without much loss of revenue to the State."

Sir, actually, that is the recommendation; the rate of two per cent has been reduced to one per cent on the last sale. Sir, my submission is this. There are two problems. One is that the rate of sales tax is high and that, therefore, it should be reduced. The other is that relief should be given to small dealers as against big dealers. So far as the first question is concerned, it involves loss of revenue and Government cannot afford to lose it and Dr. Lokanathan does not recommend it. So far as the second question of relief to small dealers is concerned, if we levy sales tax on the last purchase of raw hides and skins, the tanner will have to pay the tax and, therefore, it will become part of the cost of the process of manufacture. There will be no hardship on the dealers in raw hides and skins. When the stuff is exported, then on the last sale, not the sale which occasions export—I will come to the point of the hon. Member Sri Patanjali Sastry later—the exporter will have to pay. Therefore, no hardship is caused. Therefore, I am unable to accept any suggestion for reduction in the rate of tax.

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So far as the legal point raised by Mr. Patanjali Sastry is concerned, the hides and skins trade furnishes a very good example. There are three dealers, A, B and C who are dealers in raw hides and skins. There is no sales tax on A's sales to B and on B's sales to C in the matter of raw hides and skins. The tanner is D and he buys them from A, B and C either directly or through various transactions. Then, at that point, he has to pay the tax. Then, he sells it to E in London. So, the sale which occasions the export is the sale by D to E in England which is not taxable under this law. If the sale by C to D which is the last purchase in the State is covered by clause 9, then it is taxable. But the sale which is really in the course of export or which occasions export is not the sale by C to D. Though it may be intended for that purpose, the actual sale from D to E in England is the sale which occasions the export. Therefore, the clause is perfectly clear that the sale which occasions the export, namely, from D to E in England is not taxable. What the Bill now seeks to tax is the sale by C to D who is within the State and who buys it. It may be for the purpose of export but it does not occasion the export. Therefore, I think the clause is quite valid. However, I shall have the matter examined again by the Advocate-General since the hon. Member Sri Patanjali Sastry has raised it. 11-40 a.m.

SRI M. PATANJALI SASTRY : The final decision is to be given by the Court of Law. There may be difficulty. Therefore, the matter may be clarified.

The amendment of the hon. Member Sri Mohamed Raza Khan was, by leave, withdrawn.

The Second Schedule was put and carried.

The Third Schedule.

MR. CHAIRMAN : The motion is—

'That the Third Schedule do stand part of the Bill.'

SRI V. V. RAMASWAMI : I move the following amendments :—

In the Third Schedule, *after* item 7, *add* the following new items :—

"8. Eggs.
9. Meat.
10. Fish.
11. Flowers.
12. Betel.
13 Plantain leaves.
14. Vegetables.
15. Fruits.
16. Milk."

The amendment was duly seconded.

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* SRI V. V. RAMASWAMI : தலைவர் அவர்களே, 1953-ம் ஆண்டு ஏப்ரல் மாதம் 1-ம் தேதி கவர்னர் அவர்கள் பிறப்பித்த உத்தரவின் கீழ் கைத்தறித் துணிகள், முட்டை, இறைச்சி, மீன், பூக்கள், காய்கறிகள், பழங்கள் ஆகியவைகளுக்கெல்லாம் வரி விலக்குக் கொடுக்கப்பட்டிருந்தது. இதை எல்லோரும் வரவேற்றார்கள். குறிப்பாக, இந்தப் பண்டங்களை விற்கும் சிறு வியாபாரிகள் எல்லாம் அரசாங்கத்திற்கு நன்றி செலுத்தினார்கள். இப்பொழுது இந்தப் புதிய சட்டத்தில் இந்தப் பண்டங்களுக்கு விலக்குக் கொடுக்கப்படவில்லை. முன்பு இந்தப் பண்டங்களுக்கு விலக்குக் கொடுத்திருக்கிறார்களே, அதே போல் இப்பொழுதும் கொடுக்க வேண்டுமென்பதற்காகத்தான் திருத்தம் கொடுத்திருக்கிறேன். முட்டையைப்பற்றி திரு. கோசல்ராம் அவர்கள் பேசும்போது, மிக்க உருக்கமாக, முட்டை உடைந்து போகிற மாதிரிப் பேசினார். இதைப் பற்றித் திருப்பித் திருப்பிச் சொல்ல வேண்டிய அவசியமில்லை. இந்தப் பண்டங்களுக்கெல்லாம் முன்பே விலக்குக் கொடுக்கப்பட்டிருக்கிறது என்பது அரசாங்கத்திற்கே தெரியும். சம்பந்தப்பட்ட வியாபாரிகள் வற்புறுத்திக் கேட்டதற்காகத்தான் விலக்குக் கொடுத்தார்கள். இப்பொழுது நான் கொடுத்திருக்கும் திருத்தத்தில் புதிதாகப் பாலையும் சேர்த்திருக்கிறேன். உண்மையிலேயே பால் வியாபாரிகள் மிகவும் சங்கடப்படுகிறார்கள். அதன் காரணமாக இவர்கள் வரியைக் கொடுக்காமலிருக்கப் பல வழிவகைகளைக் கையாண்டு பார்க்கிறார்கள். எங்கள் பால் பண்ணையில் ஈடுபட்டிருக்கக்கூடியவர்களில் 700, 800 பேர் பெண்கள். இதையெல்லாம் ஒட்டித்தான் விதி விலக்கு அளிக்க வேண்டுமென்ற பட்டியலில் பாலையும் சேர்த்திருக்கிறேன். இது இன்றைய கோரிக்கை அல்ல. ரொம்ப நாளைய கோரிக்கை. ஆகவே, எனனுடைய இந்தத் திருத்தத்தைத் தயவு செய்து ஏற்றுக்கொள்ள வேண்டுமென்று அமைச்சர் அவர்களைக் கேட்டுக் கொள்ளுகிறேன்.

* SRI T. PURUSHOTHAM : Mr. Chairman, there seems to be no necessity for specific inclusion of these articles in Schedule III. There is already provision for grant of exemptions under clause 17 of the Bill. I have also pressed for the consideration of the Hon. Minister during my speech in the first reading of the Bill, and I reiterate what I have already said, namely, that the Government should sympathetically consider representations for reduction of tax or exemption from tax in deserving cases. You may remember that I partciularly referred to cases like camphor and exemption in the case of country chekkus, etc. I am sure the Government will consider those aspects and what I feel is that there is no need for adding these items in Schedule III. So, it is a felt that I should make it clear that the Government had specific powers for grant of exemption in deserving cases and I would also appeal to the Government to consider in due course sympathetically all such cases.

* THE HON. SRI R. VENKATARAMAN : Mr. Chairman, I am grateful to my esteemed Friend Sri Purushotham for having come to my aid. The question of exempting certain articles will certainly be taken up after the Bill is passed and before it comes into force, the Government will examine in the light of clause 17, what are the articles that deserve exemption, what articles should be taxed at a lower rate and so on. I am unable specifically to state that any particular item mentioned by my esteemed Friend Sri V. V. Ramaswami will be included in the list of exemptions. But all that I wish to point out is that the exemption limit in respect of these things is fairly high. For instance, the exemption limit in respect of

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vegetables is up to Rs. 30,000. There is no point in pleading for the larger dealers who could afford to keep accounts and who could also pass on the sales tax to the other retail dealers. If the exemption is given or if the exemption limit is increased, then the possibility of evasion will become very great and once we afford possibilities of evasion, then stricter control by the department will become necessary and harassment will be the consequence. Therefore, in these matters we have to be very careful before we decide what the exemption limit should be and what is the sort of exemption or concession that should be given. I only wish to state that the Government will examine all these things under the powers vested in them in clause 17 and try to see that no hardship is caused.

MR. CHAIRMAN : I shall put the amendment to vote. The question is—

'In the Third Schedule, *after* item 7, *add* the following new items :—

"8. Eggs.
9. Meat.
10. Fish.
11. Flowers.
12. Betel.
13. Plantain leaves.
14. Vegetables.
15. Fruits.
16. Milk." '.

The amendment was put and lost.

The Third Schedule was put and carried.

Clause 1 and the Preamble were put and carried.

* THE HON. SRI R. VENKATARAMAN : Mr. Chairman, I move—

'That the Madras General Sales Tax Bill, 1959 (L.A. Bill No. 6 of 1958), as passed by the Legislative Assembly, be passed.'

I reserve my reply.

MR. CHAIRMAN : Motion moved—

'That the Madras General Sales Tax Bill, 1959 (L.A. Bill No. 6 of 1958), as passed by the Legislative Assembly, be passed.'

SRI K. BALASUBRAMANYA AYYAR : Sir, this Bill we are passing after a good deal of deliberation both in this House and in the other House. It is now for the Government to work the Bill in the best manner possible, with due regard to the interests of the consumers first, then with due regard to the benefit of the trade

and not for hampering the trade and finally with due regard to the general economic interests of our State. In this Bill my net impression is that a great deal of achievement has been made for the purpose of seeing that payment of tax is not evaded. The various
11-50 a.m. powers given and the various steps taken are for the purpose of checking evasion of tax. There is the provisional assessment. Then there is the 'best of judgment' assessment and then later checking evasion. All these powers have been given. So, I think the Bill is very good so far as that matter is concerned, from the point of view of taxation. Therefore, the only thing that remains is that the various powers have to be exercised in the best manner possible, in the most courteous way and with hte least of harassment to the traders, without making them always waiting at the doors of the Commercial Tax Officer and other Officers to the detriment of their business and trade. If things are done quickly, my hope is that this compounding will go a long way in easing the situation. The only thing is that the merchants also should co-operate. That is my view. (Sri T. Purushotham : இதைக் கனம் அங்கத்தினர் ஸ்ரீ வி. வி. இராமசாமி கவனிக்க வேண்டும்.) The merchants also should co-operate because it is only if they come forward to say how much their income is and how much they will offer to pay that the rate of tax can be compounded. Unless the Taxing Officer is satisfied that it is *bona fide*, he will not take further steps. So, it is for the merchants to co-operate and say, 'This is my probable income.' We trust each other in so many matters, educational matter, for instance. Education is given free to the children of those persons whose income is less than Rs. 100 per mensem on production of a certificate to that effect. In that way we must take it, as if it were a kind of certificate offered by ourselves saying, 'This is a *bona fide* statement of the income that we are getting'. Unless a man is very much mistaken about his own affairs, generally he will be correct and the Government also are to take the nature of the person, his respectability and all that into consideration and trust him. It is a case of mutual trust. In that way, much of the harassment will be removed and the Act also, according to me, will be worked properly for the benefit of the trade, for the benefit of the consumers and for the benefit of the State. It is in that spirit that this Act must be worked.

There are two things which, I as a Member of the Opposition and also as a lawyer, have felt that it is not entirely correct on the part of the Government to have done. One is about the power which they have taken for amending, altering or adding to the Schedules. We have talked much about it and I do not want to deal with it in detail now. Finally, there is a lurking impression in me that that power is too much and not constitutional also. Therefore, this is a matter which I hope even before it is riased in a Court of law, the Government themselves will look into. And then if they are satisfied about it, that is all right.

The other point is about the tax on export out of the territory of India raised by my hon. Friend Sri Patanjali Sastry.

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SRI T. PURUSHOTHAM : The Hon. Minister has clarified it.

SRI K. BALASUBRAMANYA AYYAR : Unfortunately, I was not here then.

SRI M. PATANJALI SASTRY : An illustration may be attached saying that the sale by A to B will be taxed and that the sale by B to C will not be taxed as it occasions export.

SRI K. BALASUBRAMANYA AYYAR : That is the best way of seeing that this Act is not brought before a Court of Law. As far as possible, it is better to avoid that. Of course, that is a thing which we could have also raised in the Select Committee. Unfortunately, it escaped our notice in the Select Committee. Unfortuwere discussing it the other day, we got into difficulties and then we thought about it. That is a difficult matter. Of course, there is no reflection on anybody if it has escaped his notice. Such difficulties always arise. At first, we do not get copies of the Central Act. Afterwards we got them. Even my hon. Friend Sri Patanjali Sastry did not have a copy of the Central Act. I gave him a copy of the Central Act. We are not able to get these Acts in time so that we may think about it at the proper time. If we do not mention it at the Select Committee, we are also partly responsible for it. The responsibility is not that of the Hon. Minister alone because the Minister is bothered with so many questions and so many things and some of these things may really escape his attention. That is very natural and very probable. It is no reflection upon anybody. I feel that I am also equally responsible for not bringing it to the notice of the Hon. Minister at the proper time. It escaped our attention also. On account of the assistance that we have of our eminent retired Judge, we are able to look into that point also. I hope and trust that the Government will look into the matter.

I think that, on the whole, there are not many loopholes or lacunae in this Bill so far as I can see and the Hon. Minister took great trouble by appointing a Sub-Committee to go into the legal matters alone so that their attention might not be diverted to other matters. We have done our best. Still, there may be a few things which have to be set right later. Now, it is all right. We hope for the best. Sir, I think in this matter also our State leads the country. There is not such a comprehensive good Bill as this in any other State. That is what I feel after looking into the Sales Tax Acts in some other States also. I see in those Acts not so many points that have been adverted to, not so many difficult situations that have been imagined and provided for, as in this Bill. Therefore, I end by striking a note of joy and also of congratulations to the Hon. Minister on having taken this task on hand as soon as he became a Minister here and spent a lot of time over it, appointing an expert to go into this matter and also having a Select Committee which went thoroughly into the whole matter taking a lot of time

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and finally produced this Bill which, as far as I can see, is one of the most satisfactory Bills that have come up before the Legislative Assembly and the Legislative Council.

* **Sri V. V. RAMASWAMI :** கனம் தலைவர் அவர்களே, இப்போது இந்த விற்பனை வரிச் சட்டமானது நிறைவேற்றப்படவிருக்கிறது. எதிர்க் கட்சித் துணைத் தலைவர் ஸ்ரீ பாலசுப்பிரமணிய அய்யர் பேசும்போது நான் மிகவும் கவனமாகக் கேட்டுக்கொண்டிருந்தேன். அவர்கள் விற்பனை வரி சம்பந்தமாக வியாபாரிகளுக்கு ஏற்பட்டிருக்கக்கூடிய சங்கடங்கள், தொல்லைகள் இவற்றை எப்படிப் போக்குவது என்பதைப்பற்றி என்னுடைய வேண்டுகோளுக்கிணங்கி பல ஆண்டுகளாக உன்னிப்பாகக் கவனித்து வந்திருக்கிறார்கள். ஆகவே, இந்த விவாதம் வரும்போதெல்லாம், அவர்கள் என்ன என்ன கருத்துக்களை வெளியிடுகிறார்கள் என்பதை நான் கவனிப்பது உண்டு. அவர்கள் எங்கள் பால் அக்கறை கொண்டு இதுகாறும் செய்துவந்த பணிக்கு நாங்கள் நன்றி செலுத்தக் கடமைப்பட்டிருக்கிறோம். அவர்கள் பேசுகின்றபோது, ஒரு வார்த்தை சொன்னார்கள். இந்தச் சட்டம் நடைமுறையில் நடைபெறுவதற்கு வியாபாரிகள் ஒத்துழைக்க வேண்டுமென்று சொன்னார்கள். அப்போது எனது நண்பர் ஸ்ரீ புருஷோத்தம் அவர்கள் வி. வி. இராமசாமி அதைக் கவனிக்க வேண்டுமென்று சொன்னார்கள். வியாபாரிகள் இதுகாறும் ஒத்துழைத்துக்கொண்டுதான் வந்திருக்கிறார்கள். இன்னும் ஒத்துழைக்கத் தயாராய் இருக்கிறார்களே யொழிய மறுத்தது இல்லை. மறுக்கக்கூடிய வழி வந்தவர்கள் அல்ல நாங்கள். இன்னும் ஒத்துழைக்கத் தயாராகக் கையைக் கொடுக்கும் போது அந்தக் கையைக் கொஞ்சம் பலமாக அழுத்திவிடக் கூடாதென்று தான் கேட்டுக்கொள்கிறேன். வியாபாரிகள் கூட்டத்தில் அநேகம் தடவை ஸ்ரீ புருஷோத்தம் அவர்கள் கலந்துகொண்டு அவர்களுக்காகப் பணி புரிந்திருக்கிறார்கள். அவர்கள் இப்போது கொஞ்சம் நடுவாற்றில் கை விடுவதாகத் தெரிகிறது. எங்களுடன் இதுவரை ஒத்துழைத்து வந்தவர் கொஞ்சம் மாறுவது எனக்கு வருத்தத்தைத் தருகிறது.

இன்னொன்று. நாங்கள் பல ஆண்டுகளாகக் கூட்டங்கள் கூட்டி வந்திருக்கிறோம். அப்போது எல்லாம் மிகவும் ஒத்தாசையாக இருந்தன பத்திரிகைகள். நாங்களாக எவ்வளவு எடுத்து அரசாங்கத்திற்குச் சொன்ன போதிலும் அவை இலாகாக்களுக்கு அனுப்பப்படும். அங்கிருந்து ஒரு முடிவு வருவதற்குள் மிகுந்த காலதாமதமாகிவிடுகிறது. ஆனால், நாங்கள் மகாநாடு கூட்டும்போதெல்லாம், எங்களுடைய கருத்துக்களையும், தங்களுடைய சீரிய கருத்துக்களையும் பத்திரிகைகள் தலையங்கம் வாயிலாக வெளியிட்டிருக்கின்றன. வியாபாரிகளிடத்தில் தப்பு இருந்தால், அந்தத் தப்புக்களையும் நன்றாகக் கண்டித்திருக்கின்றன. அதில் எந்தப் பத்திரிகையும் விட்டுவிடவில்லை. இப்போதும் பொறுக்குக் கமிட்டியில் இருந்து நன்றாகக் கவனித்து அவ்வப்போது உயர்ந்த கருத்துக்களை வெளியிட்டு, வியாபாரிகளுக்கு மிகவும் ஒத்தாசை செய்திருக்கிறார்கள். அதற்காக அவைகளுக்கும்—பத்திரிகைகளுக்கும்—நான் நன்றி செலுத்திக்கொள்கிறேன். பொறுக்குக் கமிட்டியிலும் சரி, சட்ட பேரவையிலுஞ் சரி சட்ட மன்றத்திலும் சரி எல்லா அங்கத்தினர்களும் மிகுந்த உன்னிப்பாக இவ்விஷயத்தில் ஈடுபட்டிருக்கிறார்கள். அவர்களுக்கும் நாங்கள் மிகவும் கடமைப்பட்டிருக்கிறோம். ஆகவே, இந்த மாதிரிச் சட்டம் கொண்டு வந்து அமுல் செய்கிறபோது அரசியலார் செய்வது தவறாக இருந்தாலும், வியாபாரிகள் போகிற போக்கு தப்பாக இருந்தாலும், பத்திரிகைகள் மேலும் கண்காணிப்போடு, விழிப்போடு பணியாற்ற வேண்டும் என்றும் கேட்டுக்கொள்ளுகிறேன். எவ்வளவு ஒத்துழைப்பு வேண்டுமானாலும் கொடுக்க நாங்கள் தயாராய் இருக்கிறோம் என்று வலியுறுத்திச் சொல்ல விரும்புகிறேன்.

இந்த மசோதா நன்றாக விவாதிக்கப்பட்டு சட்டமாக நிறைவேறியிருக்கிறது. இந்தச் சமயத்தில் கனம் அமைச்சர் அவர்களையும் பாராட்டுகிறேன். அப்போது நான் வேடிக்கையாகக் கூட ஒன்று சொன்னேன். அவர்

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முகத்தைப் பார்க்காமல் பேசினால்தான் கொஞ்சமாவது கடுமையாகப் பேச முடியும் என்று சொன்னேன். ஏனென்றால் புறத்தில் பரிவும், கனிவும் அவரிடத்தில் நிரம்ப இருக்கிறது. அகத்திலும் அவருக்கு உருக்கம் ஏற் படும் என்று எதிர்பார்த்தேன். ஆனால் அகம் உருகவில்லை (ஸ்ரீ ஏ. எம். அல்லாபிச்சை.—சமயத்தில் உருகும்). ஆனால் இந்தச் சமயத்தில் உருக வில்லை. உருக்குப்போல இருந்தது. எங்கள் உள்ளத்தில் வேதனையும் சஞ்சலமும் குமுறிய போதிலும் உருக்கமாகக் கேட்டுக்கொண்டோம். பல 12 noon
னில்லாமல் போய்விட்டது. இரு சபைகளிலுமுள்ள எதிர்க் கட்சித் தரப்புகள் அனைத்தும், ஆளும் கட்சியில் உள்ளவர்கள் அநேகரும் உணவுப் பொருள்களுக்கு வரி விலக்குக் கேட்டும் அரசாங்கம் செவி சாய்க்கவில்லை. எல்லோருடைய ஒத்துழைப்பும் வேண்டும் என்று கோரும் அரசாங்கம், இதில் அனுதாபங்காட்ட மறுத்தது ஏனோ ?

பணம், பணம், வரி வரி என்ற அடிப்படையில்தான் சட்டம் வகுக்கப் பட்டாய்விட்டது. Simp'ify பண்ணுவதாகச் சொல்லி Amplify பண்ணிவிட்டதாக அஞ்சுகிறேன். Tentacles of Octopus மாதிரி வலை வீசி எல்லோரையும் உள்ளே இழுத்துக்கொள்ளத் தக்கதாகத்தான் மசோதா அமைந்திருக்கிறது.

சில்லரை வியாபாரிகளுக்கு உண்மையாகவே யாதொரு சலுகையும் இல்லையென்றே சொல்வேன். உணவுப்பொருள்களுக்கு வரி போடப்பட்ட தைக் குறைக்கக்கூட மனம் இறங்கவில்லை. உளுந்து, துவரை, கடலை, பாசிப்பயிறு முதலியவைகள் அன்றாட உணவுக்குத் தேவைப்படுகின்றன. அவைகளையும் உணவுப் பொருள்களின் பட்டியலில் சேர்த்துக்கொள்ள வேண்டுமென்று பொறுக்குக் குழுவில் யான் கேட்டுக்கொண்டதற்கு இணங்க மறுத்துவிட்டார்கள்.

ஏற்கெனவே கொடுக்கப்பட்டிருக்கும் முட்டை, மீன், இறைச்சி போன்ற எட்டுப் பண்டங்களுக்காவது வரி விலக்குக் கொடுப்பதற்கு மனமொப்ப வில்லையே ! எல்லாம் ஓராண்டு அனுபவம் பார்த்து ஏதாவது மாற்றம் செய்ய முற்பட வேண்டுமென்று சொல்லப்பட்டது. சென்ற பொதுத் தேர் தலுக்கு முன்பு இதைப் பரிசீலனை செய்வதற்கு ஒரு நிபுணரை நிய மிப்பதாகச் சொன்னார்கள். இறுதியான பலனைக் கண்டோம். இரண்டு ஆண்டில் அடுத்த தேர்தல் கண்முன் நிற்கும்போது, ஏதாவது கரும்பைக் கடிக்கக் கொடுக்கலாம். அவ்வளவுதான். நிலத் தீர்வையின் பேரால் நமது 1957–58-ல் நமது மாநிலத்தின் வருமானம் ஐந்து கோடியே 85 லட்சத்தி 27 ஆயிரம். ஆனால், விற்பனை வரி மூலமாக 10 கோடியே 82 லட்சத்தி 15 ஆயிரம். ஆகவே, விற்பனை வரித் துறைதான் தலையாய வருமானத் துறையாகும். நிலத்தின் மீது இனி வருமானம் குறையும்.

இரண்டாவது ஐந்தாண்டுத் திட்டம், மூன்றாவது ஐந்தாண்டுத் திட்டம் என்று திட்டத்திற்கு மேல் திட்டம் தீட்டும்போது விற்பனை வரியில் மாற்றம் காணலாம் என்பது வீண் கனவு காண்பதேயாகும். ஆனபோதிலும் மனிதனின் உள்ளத்தில் எப்போதுமே நம்பிக்கை குடிகொண்டிருக்கிறது. Hope lies eternal in human breast. இதற்கிணங்க நல்லது கிட்டலாம் என்று எதிர்பார்க்கிறேன். நிறைவேற்றப்படும் சட்டம் ஏப்ரல் மாதம் 1-ம் தேதி அமுலுக்கு வரும். பதின்மூன்று நாட்கள் கழித்து அதாவது ஏப்ரல் 14-ம் நாள் தமிழ் விகாரி ஆண்டு சித்திரைத் திங்கள் 1-ம் தேதியன்று பொது மக்களுக்கு நற்செய்தி பரப்புமுகத்தான், வரி விகிதக் குறைப்பு, வரி விலக்கு முதலிய நல்லனவற்றை அரசாங்கத்தார் தெரிவிப் பார்களா ? பதவி ஏற்றவுடன் விற்பனை வரிச் சட்டத்தை எளிதாக்கி வரி கொடுப்போர்களின் சங்கடங்களைப் போக்க வேண்டுமென்று சலியாது உறுதி யோடு உழைத்த கனம் அமைச்சர் திரு. வெங்கடராமன் அவர்களைப் பாராட்டி, கருத்து வேற்றுமைகளும், மனக்குறைகளும் இருப்பினும், நட்பு முறையில் சிறிது குறைபாடுமில்லை என்று கூறி முடித்துக்கொள்ளு கிறேன். வணக்கம்.

DR. MAHOMED USMAN : Mr. Chairman, may I also take this opportunity of offering my congratulations and our thanks to the Leader of the House for the able manner in which he has piloted the Bill and the conciliatory and sympathetic spirit which he has shown throughout the discussion? I am sure, in his sympathetic hands, this Bill will be a great success. There is no doubt whatsoever that the present Bill is a great improvement on the present Act. Therefore, I think we have to be very thankful to the Hon. Sri Venkataraman for having brought this Bill. Immediately after he assumed office, as Sri K. Balasubramanya Ayyar stated, he told us that he would go through the Sales Tax Act and bring in a comprehensive piece of legislation. He has fulfilled his promise very soon and I think he deserves our warmest thanks and congratulations. I am sure that he will work this Act with great sympathy so that it will be of benefit both to the Government and to the people.

* SRI M. PATANJALI SASTRY : Mr. Chairman, I wish to associate myself with the complimentary remarks of the Deputy Leader of the Opposition, though I am aware that any compliments or congratulations emanating from a nominated Member may not carry the same weight as the congratulations from the Deputy Leader of the Opposition.

SRI T. PURUSHOTHAM : That will not make any difference in this House.

* SRI M. PATANJALI SASTRY : This is so elaborate and complicated an Act with surprisingly few defects that I cannot but join with my friends in congratulating the Hon. Minister. (Hear, hear.) It is so well thought out and the drafting errors are so few if there are any at all. On the whole, this is a complicated Bill and certainly those who are responsible for drafting and piloting this Bill must be congratulated.

Only yesterday, you said, Sir, that I would be allowed the indulgence of making one or two general remarks appropriate to the previous stage, at this stage. All that I wish to place before the Hon. Minister for consideration--I am not moving any amendment—is about the provision making a transferee in the middle of an accounting year liable for the tax payable by the transferor. It does not seem to be fair and just. No doubt, the clause seems to have been modelled on the old Income-tax Act provision, but there was no question of the assessee recouping the amount by passing on the burden of the tax to the customer. Here, the transferor would have received the extra price due to the Act which the transferee cannot hope to recoup himself for the tax levied. Recoupment being thus impossible, it seems to be unfair and unjust to make the transferee liable for what the transferor had received prior to the transfer. In the Income-tax Act, there is no question of recoupment at all. Here, prior to the date of transfer, recoupment

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enters into the question of taxation because in the ultimate analysis, the burden is passed on to the customer and the transferor before the transfer would have received the benefit of the additional sum represented by the tax. Therefore, it seems to me that there is an element of injustice and unfairness though they seem to have copied the provisions of the Income-tax Act. There is a radical difference between the Income-tax Act and the Sales Tax Act in that the sales tax always involves on the part of the person who pays the tax, recoupment from the customer to whom the burden is passed on.

Then, Sir, I would like to make one observation, if you would permit me, on the scheme of remedies. There seem to be too many remedies. The trend now is, even in Civil Courts, to cut short some of the appeals. The Law Commission was touring all over the country with a view to expedite disposal of the proceedings and, wherever possible, to cut short too many appeals, second appeals, revisions, and so on. But, here I find an appeal lies to the High Court even on questions of fact, unless I misunderstand this. Even in the case of the Income-tax Act, which is far more complicated,—accounting and all that involves complicated investigation—there is no appeal allowed to the High Court on questions of fact, and only on questions of law, there is reference to the High Court. But here, I find an appeal to the High Court being allowed on pure questions of fact also. That, I think, is something very unusual. In a taxing matter, if the High Court has to be seized with questions of fact for determination, it is something very unusual and, therefore, I would suggest, whatever the assessees may say, on pure questions of fact, the time of the High Court need not be washed. The High Court is already burdened with arrears and there is a lot of work for Judges to attend to and dispose of. To add to this, a whole series of appeals on questions of fact under the Sales Tax Act, which even the Income-tax legislation does not provide for, seem to be carrying the scheme of remedies too far.

Then, curiously enough, these questions of fact arising out of sales tax assessment are to be heard by a Bench of two Judges, as if one Judge cannot deal with such questions. This is an extraordinary provision. I can understand a Bench of two Judges being insisted on for dealing with questions of law.

SRI K. BALASUBRAMANYA AYYAR: To avoid Letters Patent Appeals.

* SRI M. PATANJALI SASTRY: But, Letters Patent Appeals nowadays can be had only by leave of the Judge. If he refuses leave—as I presume he will in most cases, 99 per cent of these cases—there would not be any appeal under the Letters Patent. Formerly, on every single Judge's judgment, there would be a Letters Patent Appeal, as a matter of course. But, now the discretion of the single Judge is interposed and in most cases, he refuses leave on questions of fact. At any rate, that was so till some years

back. I do not know whether there is any change of practice now. In matters like this, surely a single Judge deciding questions of fact involved in sales tax assessment, would not grant leave at all and, therefore, there is no danger as to Letters Patent appeal being permitted. So, I would suggest to the Government to reconsider this question of the scheme of remedies.

There seems to be a double barrelled remedy, if I may use that expression, provided, one starting from the Deputy Commissioner and ending with the Revenue Board and another with the Appellate Assistant Commissioner coming up to the High Court.

THE HON. SRI R. VENKATARAMAN : One is mutually exclusive of the other.

* SRI M. PATANJALI SASTRY : Probably on a more careful reading of the provisions, that may be so. I thought they were there as a sort of additional remedies left to the option of the assessee, but anyway I submit that as regards questions of fact arising out of the Sales Tax Act, the High Court need not be troubled. And certainly, I venture to think that a Bench of two Judges should not be made to go into these questions. That is my submission.

* SRI A. M. ALLAPICHAI : Mr. Chairman, Sir, I am so very
12-10 p.m. happy that the hon. the Deputy Leader of the Opposition and other hon. Members on the Opposition have been fair enough to compliment the Hon. Minister, Sri R. Venkataraman. Mr. Chairman, Sir, one thing I wish to suggest and it is this. Whenever complicated matters like these are under consideration, they must make it a duty to take the best advantage of the eminent men here like Sri Patanjali Sastry and other lawyer friends here. He has made certain observations while speaking here and, Sir, we cannot, whatever may be the attitude of the Government with reference to his suggestions and observations, ignore them. They are most weighty and very important. When they are offered to us, we must take every one of them in the best light and see if the position cannot be clarified. Therefore, I wish to make one suggestion to the Government and it is this. Whenever certain matters, I mean matters connected with legislation, are under their consideration, they must try to make use of all the lawyer Members here as far as possible. I cannot say they should make it a rule. But to do so would be to our advantage, to the advantage of the Government and to the advantage of the people. Sometimes, our legislation is challenged in Courts and then we feel sorry for it. Therefore, I beg to suggest to the Government that in the Select Committee—it should not be a question of some kind of consideration—as far as possible, we must take in the jurists here, so that they may be helpful to us. We must take as far as possible experts from here and that is the thing I want to suggest, Sir.

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Another point is this. People have been talking about harassment because of this Act. I would respectfully say that the merchants and the officers are some kind of actors in this ' Act ' and I want both the merchants and the officers concerned, to play their parts fearlessly and justly. If they are—there is the hon. Member Mr. Ramaswami who is the representative of the merchants; I do not say anything against them—honest and straightforward, there will be no trouble. I do not say anything against anybody. There are so many merchants who are my relations and friends. They are part of us and, therefore, there is no reflection cast on anybody. But what I wish to say is, if the merchants are firm and straightforward, there is no need to fear that anybody would harass them; only when something is wrong, they have to fear. I know as a lawyer—I have dealt with many cases—it is always like this. If merchants are thoroughly honest and straightforward, the officers are afraid of them and would not approach them and harass them. There is no doubt about that. Therefore, the merchants must realize that it is not a question of making more money but a question of serving our people. It is an opportunity given to the merchants to serve our people. If a merchant purchases an article at a certain price, he has to reserve something for him as profit because he has also to live but he should not exploit the ignorance of our people or corner the stocks. If he does a patriotic act, certainly God will be pleased with him. God would not ask any merchant how much money he has got. God will ask how much justice he has done to the purchasers and he will not put such questions as how much money he has left and how many houses he has left. They fear there may be harassment. The merchant community knows that particular officers are thoroughly honest and that they do not go beyond a certain limit. If one officer is like that, is firm, he fires everyone with some lofty ideals. Therefore, the Hon. Sri R. Venkataraman must see that if there is anything against the officers, whoever they may be, an enquiry should be made into the matter carefully and the right thing should be done. Therefore, there is a great responsibility cast on the merchants. If our merchants are true and honest, a lot of problem will be solved. Then I think we will have a paradise on earth.

12-20 p.m.

Then, I come to the provision about the Tribunal. My hon. Friend Sri R. Venkataraman has been complimented on bringing in this provision. If he had followed some other profession, he would not have brought in this thing so nicely. He has applied his mind to it because he has been a lawyer. Being a lawyer, he knows where the shoe pinches. Whenever they want to constitute a tribunal, I want the Government to consider this question. They must appoint lawyers to the tribunal. When we are appointing experts for small matters, I do not see anything wrong about it. When you are doing so, why should you not appoint experts to these tribunals, experts who have spent a lot of time, who have got a lot

of experience and who will do a lot of good to the community? Therefore, whenever the Government want to appoint people to tribunals, where they have to apply their legal acumen, I think all of them must be lawyers, not one or two.

Dr. MAHOMED USMAN : : On a point of order, Sir. Third reading is only a formal affair. Is it right to go into the details of the Bill at the third reading stage?

Mr. CHAIRMAN : But the Deputy Chairman has got special privileges.

* **Sri A. M. ALLAPICHAI** : Whatever I wanted to say I have already said. Thank you, Sir.

* **Sri T. PURUSHOTHAM** : Mr. Chairman, Sir, I wish to associate myself with the sentiments of satisfaction expressed by the hon. Members and congratulate the Hon. Minister on bringing in this Bill. We had an interesting discussion on the Bill and the Hon. Minister Sri R. Venkataraman faced all the attacks of the hon. Members Sri V. V. Ramaswami, Sri Mohamed Raza Khan (Sri Mohamed Raza Khan : No attack) and Sri T. P. Srinivasa-varadan with great fortitude. I congratulate him. Reference has been made by the hon. the Deputy Leader of the Opposition to the power taken by the Government to amend the Schedules. I feel that, after all, this provision may not be resorted to at all. The Government would not have recourse to it light-heartedly and so, I feel that we need not worry much about it. The hon. Member Sri V. V. Ramaswami made personal reference to me and I assure him that I am one with him in my sympathy with the merchants. I have always been helping them in all possible ways and I continue to have the same feelings towards them. I have never opposed any of the proposals made to benefit the merchants. I once again congratulate the Hon. Sri R. Venkataraman and I have the fullest hope that trade and commerce would continue to flourish in our State.

* **Sri A. GAJAPATHY NAYAGAR** : மதிப்பிற்குரிய தலைவர் அவர்களே, நமது அரசியலார் தமிழ் நாட்டு ஏழை மக்களுக்கும் இதர மக்களுக்கும் நன்மை செய்வதற்காகப் பல சட்டங்களை அப்போதைக்கப்போது கொண்டுவந்திருக்கிறார்கள். ஜமீந்தார்களிடம் இருந்த அதிகமான நிலங்களை வாங்கி மக்களுக்கு அவைகளைப் பங்கிட்டுக் கொடுக்க வேண்டுமென்ற நோக்கத்துடன் ஜமீந்தாரி ஒழிப்புச் சட்டத்தைக் கொண்டுவந்தார்கள். அந்தச் சட்டத்தால் ஜமீந்தார்களுக்கே பெரும்பான்மையான நன்மைகள் ஏற்பட்டன. ஜமீந்தார்களுடைய நிலங்களை சர்க்கார் நல்ல விலைக்கு வாங்கிக்கொண்டார்கள். அது ஜமீந்தார்களுக்கு மிகவும் நன்மையாக இருந்தது. அதற்குப் பிறகு நிலச் சீர்திருத்தச் சட்டம் கொண்டுவந்தார்கள். நிலச்சுவாந்தார்கள் சாகுபடியாளர்களுக்கு மகசூலில் போதிய பங்கு கொடுக்காமலிருந்தபோது, நிலச்சுவாந்தார்களுக்கு 40 சதவிகித வாரம் கொடுப்பதற்குரிய சட்டத்தைக் கொண்டுவந்தார்கள். அந்தச் சட்டத்திலும் நிலச்சுவாந்தார்களுக்கு நன்மை செய்திருக்கிறார்கள். இப்போது இந்த விற்பனை வரி மசோதாவைக் கொண்டுவந்திருக்கிறார்கள். ஒவ்வொரு சட்டம் வரும்போதும் "ஸெக்ஷனல் இண்டரெஸ்ட்ஸ்"

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இருக்கின்றன. ஒவ்வொரு சட்டத்திலும் சில பகுதி மக்களுக்கு அதிக நன்மை பயக்கும் அம்சங்கள் இருக்கின்றன. "அப்பீல் செய்துகொள்வதற்கு எவ்வளவு சலுகைகள் கொடுக்கப்பட்டிருக்கின்றன" என்று கனம் நண்பர் ஸ்ரீ பதஞ்சலி சாஸ்திரி சொன்னார். பொருள்களை வாங்குபவர்கள் வரியைச் சுமக்க வேண்டியிருக்கும்போது, பொருள்களை விற்பவர்களுக்கு இவ்வளவு சலுகைகள் கொடுக்கப்பட்டிருக்கின்றன. சட்டம் என்றால் அது எல்லா மக்களுக்கும் சம நீதி வழங்குவதாக இருக்கவேண்டும். "ஸெக்ஷனல் இண்டரெஸ்ட்ஸை"-ப் பார்த்துச் சட்டமியற்றுவது சட்ட விரோதமானது என்று சொல்வேன். கூடியவரையில் மக்களுக்கு நஷ்டம் வாராதபடியும் வியாபாரிகளுக்கும் கஷ்டம் வாராதபடியும் இந்த மசோதாவை உருவாக்கிய கனம் ஸ்ரீ வெங்கடராமன் அவர்களைப் பாராட்டுகிறேன். இந்த மசோதாவில் **he has balanced the two things very fairly.**

கனம் அங்கத்தினர் ஸ்ரீ வி. வி. ராமசாமி அவர்களுக்கு ஒரு திருக்குறளை நினைவுபடுத்த விரும்புகிறேன். அவர் திருக்குறள்களை நன்றாகப் படித்தவர்.

"வாணிகஞ் செய்வார்க்கு வாணிகம் பேணிப்
பிறவுந் தமபோற் செயின்"

என்ற குறளை அவருக்கு ஞாபகப்படுத்த விரும்புகிறேன். "**Do unto others as you would like to be done by them**" என்பதிலுள்ள கருத்து இக்குறளில் பொதிந்திருக்கிறது. 1,300 குறள்களிலுமுள்ள அத்தனை கருத்துக்களையும் ஒன்றாகத் திரட்டிக் கொடுக்கக்கூடிய மிகப் பெரியதொரு கருத்து இக்குறளில் பொதிந்திருக்கிறது. வியாபாரிகளால்தான் நாட்டுக்கு நல்லது ஏற்படவேண்டும். அவர்களால்தான் நாட்டுக்கு நன்மை வரும். அவர்களால்தான் நாட்டுக்குக் கெடுதியும் வரும். இந்தக் குறளை நான் முன்பே ஒரு தடவை குறிப்பிட்டிருக்கிறேன். நானே 30 ரூபாய் பெறுமான பொருளை ஒரு வியாபாரியிடம் 130 ரூபாய் கொடுத்து வாங்க நேரிட்ட காலத்தில், அந்த அநியாயத்தைப்பற்றிக் குறிப்பிட்டபோது, "யார் உலகத்தை அறிகிறான்? வியாபாரிதான் உலகத்தை அறிகிறான்" என்று வியாபாரியிடமிருந்து பதில் வந்தது. ஆகவே, வியாபாரிகள்தான் நன்றாகக் கணக்கு வைத்துக்கொள்ளவேண்டும். அவர்கள் மக்களுக்கு உதவி செய்ய வேண்டும். அவர்கள் அரசியலாருக்குக் கட்டுப்பட்டிருக்க வேண்டும். வியாபாரிகள் நிறைய அப்பீல்களைப் போட்டு, தங்கள் செலவைக் காட்டி, வரியைக் குறைக்கவேண்டும் என்று சொல்லக்கூடாது.

SRI K. BALASUBRAMANYA AYYAR: வரிப் பணத்தைச் செலுத்திவிட்டுத்தான் அப்பீல் போடவேண்டும்.

*SRI A. GAJAPATHY NAYAGAR: வியாபாரிகள் கோர்ட்டுகளுக்குப்போய்க்கொண்டிருந்தால், வக்கீல்களுக்காகச் செய்யவேண்டிய செலவும் அவர்களுக்கு ஏற்படும். எந்தச் சட்டம் வந்தாலும், ஆரம்பத்திலும் வக்கீல், இடையிலும் வக்கீல், கடைசியிலும் வக்கீல். இது உலகம் அறிந்த விஷயம். வக்கீல்களைக் கேட்காமல் ஒன்றுமே நடப்பதில்லை. இது எல்லோருக்கும் தெரிந்த விஷயந்தான். செக்ஷனல் இன்டரஸ்டைப்பற்றி நான் பட்ஜெட்டின்போது பேசிக்கொள்கிறேன். ஆகவே, எல்லோரும் சரியான கணக்கு வைத்துக்கொண்டு சர்க்கார் அதிகாரிகளுடன் ஒத்துழைத்தால், அது பொது மக்களுக்கு மிகவும் நன்மை பயக்கக்கூடியதாக இருக்கும். ஆகவே, வியாபாரிகள் நல்ல முறையில் நடந்துகொள்ள வேண்டுமென்று கேட்டுக்கொள்கிறேன். இந்தச் சமயத்தில் நான் அமைச்சர் திரு. வெங்கட்ராமன் அவர்களைப் பாராட்டாமல் இருக்க முடியாது. அவர்களை நான் பாராட்டுகிறேன். அவர்கள் நன்கு சட்டம் தெரிந்தவர், மேலும் நல்லவருமாவார். அவர் எல்லோருக்கும் நன்மை செய்யக்கூடியவர். ஆகவே, அவரது நட்பைப் பெறக் கூடியவர்கள் நல்ல முறையில் தக்கபடி நடந்துகொள்ள வேண்டுமென்று கேட்டுக் கொண்டு எனது உரையை முடித்துக்கொள்கிறேன். 12-30 p.m.

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SRI MOHAMED RAZA KHAN : Sir, I associate myself with the views, sentiments and congratulations expressed and offered by my esteemed Friends Sri K. Balasubramanya Ayyar and Sri V. V. Ramaswami. I know, Sir, it is a great day for the Hon. Sri Venkataraman for he sees the culmination of all his efforts during the last one year. As far as this Bill is concerned, nobody will have any grievance on the ground that his view was not heard. Our views were heard in every possible way, at the Select Committee stage, in the other House and here also. The Government may not accept our views, but that does not matter. We all have the satisfaction that we have done our best and we have also the assurance of the Hon. Minister that after watching the working of the Act, whatever is possible—wherever exemption should be given or any reduction should be made—will be done. Really that is the greatest thing which we have achieved, although none of our amendments has been accepted.

Sir, really our thanks are due to him for the way and manner in which he has conducted himself or rather the way in which he has piloted the Bill both in this House and in the other House. Although his reply might not grant what we expected, he put it in a nice way.

MR. CHAIRMAN : He has not yet replied.

SRI MOHAMED RAZA KHAN : He has replied to the various amendments moved. With reference to that, he deserves our congratulations. Next to him, one who deserves our congratulations is the hon. Member Sri T. Purushotham. Even before the Hon. Minister made up his mind how to reply, he replied on behalf of the Hon. Minister. So much so, the Hon. Minister said at one stage, 'I have practically no points to offer, as Sri T. Purushotham has already explained the position '.

Sir, a warning has been given to the merchants also. The tendency to evade tax should go. On that point the entire House is one with the Hon. Minister. As far as sales tax is concerned, there is a feeling and there are good grounds to feel that there is evasion. I am sure the merchants will play their part well. After all, it is they that clamoured for these changes, it is they that wanted that harassment should go, it is they that wanted that most of the commodities should shift from multi-point to single-point tax. Now we can only appeal to them, ' Play your part well and see that every pie which you collect and which has to go to the Government is paid '. After all, the Government is for the people. Therefore, that is one aspect on which we can make an appeal to the merchants.

Another thing to which I want to refer is this. In the course of one or two years we have made changes. With regard to the tax on petrol, instead of collecting it from retailers, we have arranged to collect it at source. Other changes have also been made in the matter of cloth and sugar. Therefore, the Hon. Minister will do

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well to go into the working of the department and see whether the staff which they have is sufficient or it is in excess of requirements. I do not say that the excess staff should be retrenched. After all, they are experienced people. We are having other new departments like the Agricultural Income-tax Department and so on. So, these people with all their experience, if they are found to be excessive, can be transferred to other departments.

Sir, I do not like to take much of the time of the House. I join hands with my Friends in offering our congratulations to the Hon. Minister concerned, his department and the Legislature. Everybody has done the job only with the best of intentions and with the best of purport. No less a personality than Sri Patanjali Sastry has said that this Bill in its final form is one of the best Bills that we can see.

* THE HON. SRI R. VENKATARAMAN : Mr. Chairman, I am really grateful to the hon. Members for all the nice things that they were pleased to say about me. It is true that this is a common endeavour in which Members of both Houses joined and devoted considerable time to see that the Bill is as perfect as possible. In fact, we were very anxious to see that there were no lacunae or loopholes in the Act leading to further litigation and further complications both for the traders and for the Government. If, to some extent, we have succeeded, the credit should go largely to the Members of the Select Committee and also to the staff in the Commercial Tax Department and the Law Department in the Government who have worked hard to make the Bill foolproof. Sir, I should like to take this opportunity to express my appreciation of the work done by the Commercial Tax Department as well as the Law Department in all the various stages of the preparation of the Bill.

Then, Sir, there are one or two points which I would like to touch upon very briefly. In the first place, a country becomes great not so much by its military strength as by its economic potentiality. In fact, the industry and commerce of a country are the true reflection of the greatness of the country. Unless it is economically strong, it is not respected. I have the greatest regard for the community which produces and distributes goods, i.e., the limbs of a body politic, I should say, the most important limbs in the body politic. So, I have at no time, and I am sure the hon. Members will bear me out, had occasion to express any bitterness or criticism against the whole of the commercial community. In fact, they are doing a national service when they distribute goods produced in some parts of the world to the people in the remotest corner of the country and also *vice versa* collect goods which are produced in the remotest corner of the country and make them available in the world market. Therefore, it would be wrong for anybody to argue that the whole community is guilty or is an unsocial element. One swallow does not make a summer. Certainly one or two people who misbehave cannot be taken as the excuse

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for tarnishing the entire community. Therefore, I have every confidence that given a simple law which they can understand, the commercial community will be able to respond to the appeal which has been made both in this House and in the other House to see that they do not unnecessarily evade the tax or avoid the assessment or create difficulties in the matter of collection of tax. At
12-40 p.m. the same time, I would also make a fervent appeal to the department to respect the assessees. Sir, they are the masters from whose revenues all of us draw our salaries. We must realise that the taxpayer is really the master of the whole administration, and we must treat him with all respect. In my own personal experience, I have found that Government servants in other countries abroad always treat the assessees with a certain amount of respect and they also show a great deal of consideration towards them; they go out to help them, even in making the returns and advising them as to what is to be done. I am quite sure our sales tax department would emulate the best traditions of Government servants in other countries and try to see that the assessees are helped to furnish proper returns and avoid small lapses leading to setting in motion proceedings under the Act. I have every confidence that the department would also respond to a generous gesture from the trade.

Then, Sir, with regard to the reorganization of the department, I may inform my hon. Friend Sri Mohamed Raza Khan that the department has already been reorganized in so far as the assessment wing is concerned. In so far as the other sections are concerned, there has been consequential reduction in the number of posts. All persons have been absorbed, I am unable to give figures just now—I think I gave the figures, in reply to a question as to the number of people transferred. So, without affecting the persons concerned, retrenchment would be effected in the number of posts. I am sure it will lead to an amount of economy.

Sir, one or two, other points which were raised by the hon. Member Sri Patanjali Sastry require reconsideration. In the first place, there is no appeal on questions of fact in respect of every matter going to the High Court. Only where the Board of Revenue *suo motu* makes an assessment, the High Court can go into the facts of the case. This, we thought, is a legitimate protection to the assessee, since he is being assessed by the highest authority of Government. He has no chance of challenging the correctness of the assessment before any other forum on questions of fact. In this case where the Board of Revenue *suo motu* assesses a dealer, then that dealer has been given the right to go in appeal on facts. I may inform the House that in all these years, there have not been more than one or two cases in which the Board of Revenue has itself *suo motu* assessed. Therefore, it is not likely to stampede the work of the High Court and I feel that this legal protection which has been given to the assessee is legitimate.

Then, in respect of appeals, there is no appeal from the decisions of the Appellate Tribunal. There would be revision on questions of law to the High Court. Therefore, they are well-protected. The next question referred to by him relates to transferee. Sir, under the clause here, the transferor is primarily liable. It is said here, under section 27, that up to the date of transfer, the transferor will be liable. At the same time, the transferee would be liable to the extent assets are received by him, if there is any balance left over. This provision has become necessary, because the transferor may collect all the money and then walk away and he may not be traced and the transferee will say that he has paid all the money to the transferor. In this connection, I may inform the House, that whenever a transfer of business takes place, it is a well-established practice, they calculate the assets and liabilities and then they stipulate that such and such a portion of the liabilities would be borne by such and such a party. (Interruption). Assessment is made on the calculation of assets and liabilities and it is immediately provided for. No businessman will be so unwise as not to make a provision for the liabilities before he takes over. To the extent he holds assets, the transferee becomes liable. Therefore, it may not really cause any hardship in practice.

On the question of assessment—my hon. Friend Sri Balasubramanya Ayyar reminds me—as and when transfer takes place, supposing some Rs. 500 or Rs. 600 is due to the Commercial Taxes Department in respect of this tax, provision is made immediately and then this Rs. 500 or Rs. 600 is retained by the transferee for the purpose of paying the same thing if and when a demand comes. I do not think that this provision is harsh.

Then, Sir, Mr. Sastry referred to the provision of too many remedies under this Bill. I want to point out to the House that we have classified the various matters as important questions and procedural questions. On important questions, appeal has been allowed to the Appellate Assistant Commissioner and from him to the Appellate Tribunal and from there to the High Court on matters of law. On procedural questions, there is revision to the Deputy Commissioner and from him to the Board of Revenue. But a person cannot choose whether he would go to the Deputy Commissioner or the Appellate Assistant Commissioner if it is an important question. Likewise, on procedural matters, in revision, he cannot go to the Appellate Commissioner. These are two channels of remedies and each is mutually exclusive of the other. Therefore, even though there are a large number of bodies mentioned in the Bill, as appellate authorities and revisionary authorities, actually the procedure is so defined that one will have to take either the one or the other course in accordance with the subject-matter. Therefore, even there, I do not think the criticism is very valid.

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Sir, lastly, I desire to repeat that this Act will certainly be administered in the best spirit, in the interest of trade and for the common benefit of the State and wherever it is possible for the Government to show concession to the consumers, they would not hesitate to do that and action in that regard would be taken under clause 17 which empowers the State to give concessions in respect of commodities. Let me once again express my grateful thanks for the very kind sentiments expressed and great friendliness which the hon. Members have shown towards me. Sir, I move that the Bill be passed.

MR. CHAIRMAN : The question is—

"That the Madras General Sales Tax Bill, 1959 (L.A. Bill No. 6 of 1958), as passed by the Legislative Assembly, be passed."

The motion was put and carried and the Bill was passed.

MR. CHAIRMAN : Before I adjourn the House, I would also like to pay my share of tribute to the Leader of the House for the excellent way in which he piloted this Bill. It is very unusual in this House to have so many speeches at the time of the third reading of a Bill. Third reading is purely a formal affair, as Dr. Mahomed Usman pointed out. However, here with clarity and lucidity, the Hon. Sri R. Venkataraman beautifully piloted the Bill to the satisfaction of all the hon. Members. Therefore, the speeches are justified and I congratulate the Hon. Minister who is also the Leader of the House.

The House will now adjourn and meet again at 3 p.m. on Monday, the 2nd March 1959.

The House then adjourned.